

ARTICLE APPEARED
ON PAGE A-6

NEW YORK TIMES
8 JULY 1981

Ex-Rand President Chosen To Head New C.I.A. Panel

By JUDITH MILLER

Special to The New York Times

WASHINGTON, July 7 — The Reagan Administration has selected Henry S. Rowen to head a newly created National Intelligence Council at the Central Intelligence Agency, Administration officials said today.

Mr. Rowen, a former president of the Rand Corporation who resigned in 1971, partly because of Pentagon dissatisfaction with Rand's security arrangements for the Pentagon papers, has until recently been a professor at Stanford University's Graduate School of Business. He has already begun working at the C.I.A., but his appointment has not been announced.

According to Administration officials, William J. Casey, the Director of Central Intelligence, chose Mr. Rowen for the post and decided to create the council to upgrade the system under which national intelligence estimates are produced.

Preparation of national intelligence estimates, which are supposed to be comprehensive studies of an issue or subject that reflect the views of the entire intelligence apparatus, has been a source of bitterness with intelligence officials for nearly eight years. Mr. Casey recently told C.I.A. officials in an agency newsletter that the system had become "slow, cumbersome and inconsistent with providing the policy maker with a timely, crisp forecast that incorporates clearly defined alternative views."

Critics of the process have also charged that the estimates have predominantly reflected C.I.A. views, with important dissents from other intelligence agencies relegated to footnotes. Stansfield Turner, Director of Central

Intelligence in the Carter Administration, was accused by some intelligence officials of distorting estimates to make them dovetail with the Carter Administration's foreign policy, an allegation that Mr. Turner denied, although he acknowledged that he had personally rewritten estimate papers.

Mr. Rowen himself has been a vocal critic of the intelligence estimates system, especially of what he has characterized as the C.I.A.'s optimistic assessments of Soviet military strength in the past. Mr. Rowen, an Oxford-trained economist, served as Deputy Assistant Secretary of Defense under Robert S. McNamara from 1961 to 1965, and became president of Rand in 1966.

Separate Views Encouraged

Under the new system, the council will be composed of those national intelligence officers charged with producing the estimates. They will report directly to Mr. Casey and to Bobby R. Inman, the C.I.A.'s Deputy Director.

Senate critics of the agency, such as Daniel Patrick Moynihan, Democrat of New York, and Malcolm Wallop, Republican of Wyoming, have urged Mr. Casey to encourage the intelligence agencies to offer separate views and estimates. Several officials who follow intelligence matters closely said that they doubted that the new council would lead to such a debate about the estimates.

"I fear that this means business as usual," one Administration official observed.